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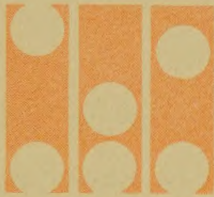
the *HA Roberts* GROUP



annual report 1979



"WASCANA ESTATES" NOW UNDER CONSTRUCTION



THE *H.A. Roberts* GROUP

THE H. A. ROBERTS GROUP LTD.

Executive Offices

2222—11th Avenue
REGINA

562 Burrard Street
VANCOUVER

Directors

Dr. Ben Bookhalter
John Bow
Kevin P. Boyle
W. Joseph Bronstein
Kenneth R. MacLeod
J. Leonard McMillan
H. A. Roberts
John P. Roberts
Frank Sojonky
Casey C. Vanee

Officers and Executive

H. A. Roberts
Chairman of the Board
Dr. Ben Bookhalter
John Roberts
Co-Chairmen—Advisory Committee
John Bow
President
W. Joseph Bronstein
Executive Vice-President
Frank Sojonky, B.Comm.
Vice-President
Administration and Marketing
Casey C. Vanee
Vice-President
Planning and Construction
Kevin P. Boyle
Vice-President
Investment Properties
Kenneth R. MacLeod, LL.B.
Secretary
Eli L. Fluter, B. Comm., C.A.
Treasurer

REPORT TO THE SHAREHOLDERS

We are pleased that our goal of geographic diversification has now been successfully achieved with the merger of McAra Properties Ltd. of Regina with the private company, H. A. Roberts Ltd. of Vancouver, B.C. This was accomplished by the issuance of treasury stock.

A new name "The H. A. Roberts Group Ltd." has been adopted.

The addition of the H. A. Roberts Ltd. executives and staff is a most welcome one. This company, long one of the largest and most prestigious in British Columbia, is exceeding all current sales targets.

We feel that this blending of substantial real estate brokerage activities with our dynamic Development and Hotel Divisions can only lead to greater growth and profitability.

A prolonged construction strike in Saskatchewan in mid-year, 1972, prevented completion of two major projects before the year end. However, since these projects have been substantially pre-sold and pre-rented, the profits have only been deferred to next year.

Our company experienced a steady rate of growth. Total assets increased by \$1,539,000. Net profit after taxes totalled \$110,000 and cash flow \$267,000. Our Hotel Division continued to maintain a high profit in spite of the 14.8% increase in the cost of labour this year.

Another integrated planned community, Wascana Estates, is underway. Our development team undertook all details from land assembly, to feasibility studies, planning, design, financing, physical construction and marketing. We are pleased that our expertise in all facets of multi-family housing continued to bring our Development Division both profits and success.

Our considerable progress this past year would not have been possible without the devotion, loyalty and continued dedication of our more than 400 employees. We would like to take this opportunity to express our special thanks and appreciation to each and every one of them.

For the Board of Directors,
A. J. Bow,
President.

THE McARA PROPERTIES LTD. AND H. A. ROBERTS LTD. MERGER

The merger of the pioneer Vancouver real estate firm H. A. Roberts Ltd. with McAra Properties Ltd. of Regina was announced on February 28, 1972, by John Bow, President of H. A. Roberts Ltd. and W. Joseph Bronstein, President of McAra Properties Ltd. The two firms now operate as The H. A. Roberts Group with Harry A. Roberts as Chairman of the Board. The merger was effective February 29, 1972.

H. A. Roberts Ltd. will continue as the Group's real estate sales and property management firm, extending its operations into Alberta and Saskatchewan. "Roberts", which was established in 1918 and "McAra", which traces its origins to 1886, are two of western Canada's oldest names in the real estate field. McAra Properties was formed in 1969 through the consolidation of nine private companies. "Roberts", a private company, was one of the largest in real estate sales in greater Vancouver. The new company has employees in excess of 400.

The merger created a large company with activities from Vancouver to the Lakehead. Its real estate brokerage and other related activities now ranks among the largest in western Canada.

The property development team will now have a firm base for entry into the growing Alberta and British Columbia markets. With the new and major growth cycle underway in western Canada, particularly in British Columbia, the merger of the two companies was timely and appropriate.



DIVISION REPORTS

HOTEL DIVISION

Westward Motor Inn—Regina

Westward Motor Inn—Moose Jaw

Located in the heart of downtown Regina and Moose Jaw, the name "Westward Motor Inn" stands for good food, good drink and good accommodation.

Westward Managers, Gary Keller and Miriam Leaker in Regina and Mel Stern in Moose Jaw, take pride in the fact that the Hotel Division showed another very successful year.

Sales increased 14.3% over 1971 and net profit 34.4 in the face of wage increases of 14.8%.

The 82.6% occupancy rate in Regina is a success story in itself.

Guest rooms in both hotels are currently being redecorated and a major expansion of public facilities in the Moose Jaw operation is planned for early 1973.

We anticipate continued growth of earnings from the Hotel Division.

REAL ESTATE DIVISION

Vancouver

Branch

Burnaby
Coquitlam
Haney
Kerrisdale
North Vancouver
West Vancouver
I.C.I.

Sales Manager

L. Wellman
R. Boileau
R. McWilliams
P. Mason
G. Greer
E. Ekdahl
H. Pennefather

The H. A. Roberts Vancouver Real Estate Division concentrated on minimizing its overhead and improving sales. Much was accomplished in both these areas. Sales increased by 40% over the comparable period last year and our new branch budgeting and cost control system resulted in substantial economies in overhead.

The greatest single factor which contributed to these achievements was the significant improvement in effective communication at the sales management level. The Division is actively expanding its sales force by the recruitment of new entrants on a selected basis.

Regina

This Division acted primarily for inhouse sales and purchases. Phase III of Westfield Towne was completely sold out early in the year.

Sales for Wascana Estates are most encouraging to date. Thirty-eight firm sales have been made without a demonstration show unit. A complete sell-out before completion of construction is almost assured.

DEVELOPMENT DIVISION

The concept underlying the management and operation of the Development Division continued to be the TEAM approach. Project development was successfully accomplished through the effective combination of complimentary skills in the areas of planning, design, finance, construction and management of commercial, industrial and residential buildings.

The team was comprised as follows:

W. Joseph Bronstein
Casey C. Vanee
Frank Sojonky
John Bow
Kevin P. Boyle
Eli L. Fluter

Chairman
Planning and Construction
Administration and Marketing
Real Estate
Property Management
Finance and Accounting

PROPERTY MANAGEMENT DIVISION

Regina

This Division handled the management of all company owned income properties. We also managed properties of other individuals and corporations on a contract basis. An upgrading in the calibre of building managers took place this year under the direction of Mr. Ben Schoots. The motto of this Division has been to provide service in an aggressive market-orientated manner. The success of this was reflected in the 99% occupancy rate in commercial and apartment properties that we managed.

Vancouver

Since 1918 we have managed a large portfolio of single family dwellings, apartment blocks and commercial property. Some of the properties have been under continuous management for that full period of time. Under Mr. Art Chipman, Property Manager, we look to considerable expansion in this Division.

INVESTMENT PROPERTIES

Apartment Buildings

Westfield Twins	142 units
Lord & Lady Albert	72 units
Devonshire Manor	24 units
Kensington Place	24 units
Davin Place (50% share)	78 units

Office Buildings

3261 South Railway
2135 Albert Street
2220—11th Avenue
1975 Lonsdale (50% share)

Hotels

Westward Motor Inn, Regina
—80 room hotel
Westward Motor Inn, Moose Jaw
—91 room hotel

Land Holdings

Saskatchewan:

— 25.3% interest in Northgate Village Ltd.
20 acres in Mount Pleasant Subdivision
for multi-family complex
— 325-foot commercial frontage on
Albert Street North

British Columbia:

—West Vancouver—Apartment Site
—West End—Apartment Site
—North Vancouver—Building Lots
—Coquitlam—Land Subdivision

PROJECTS UNDER DEVELOPMENT

Saskatchewan

Westfield Towers

This twin tower 142 suite building is scheduled for January completion. Marketing has commenced and early results are very encouraging.

Wascana Estates

This 55 unit townhouse project is presently under construction with completion scheduled in May, 1973. This project reflects the latest in luxury townhouses.

Roberts Plaza

This 152 suite luxury apartment tower is part of our Wascana Estates project. Piles have been completed and foundation work is commencing. Roberts Plaza will be the finest apartment accommodation in Regina.

British Columbia

Coquitlam

Land subdivision—services are presently being installed and sales will commence in December, 1972.

West Vancouver

We have acquired a 46 suite apartment site for immediate development.

West End

We are negotiating to acquire a 42 suite apartment site.

North Vancouver

We have acquired lots in Princess Park for resale.

PROSPECTS FOR THE FUTURE

Saskatchewan

We are currently planning a multi-family project which will allow continued growth of a major profit centre in Regina for the next eight years. This project will lead the way in marketing in this area with the most comprehensive amenity package ever presented in Western Canada.

British Columbia

Growth in this major area will be accomplished in two ways.

1. Acquisition and merger of existing companies, assets and properties.
2. Internal growth of profit and assets through development of raw lands both for resale and for our own account. To this end, we plan a new emphasis on commercial and industrial development as well as land subdivision.

We plan three major profit centres:

- Okanogan Valley
- Vancouver—Lower mainland
- Vancouver Island

FINANCIAL REPORTS

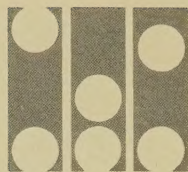
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Statement of Income and Retained Earnings	10
Statement of Source and Application of Funds	10
Notes to Financial Statements	11 & 12

HIGHLIGHTS

	1972	1971
Sales	\$3,685,000	\$2,478,000
Cash Flow	\$ 267,000	\$ 256,000
Cash Flow per share**	20.8c	21.5c
Earnings	\$ 110,000	\$ 83,000
Earnings per share**	8.6c	7.0c
Total Assets	\$6,099,000	\$4,560,000

**Based on average number of shares outstanding and fully paid.

Cash flow is shown before depreciation, amortization, deferred income taxes and mortgage principal repayments.



THE H. A. ROBERTS GROUP LTD. AND SUBSIDIARY COMPANIES

(Formerly McAra Properties Ltd.)

(Incorporated under the Companies Act, Saskatchewan)

CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 1972

ASSETS

	1972	1971
ACCOUNTS RECEIVABLE	\$ 381,000	\$ 135,000
PREPAID EXPENSES AND SUPPLIES	90,000	63,000
INVESTMENTS at cost	22,000	30,000
PROPERTY UNDER DEVELOPMENT AND WORK IN PROGRESS (Note 3)	508,000	135,000
REVENUE-PRODUCING PROPERTIES COMPLETED AND UNDER DEVELOPMENT at cost less accumulated depreciation (Note 3)	4,557,000	3,640,000
INVESTMENT IN LAND SYNDICATE (Note 4)	128,000	111,000
FURNITURE, FIXTURES, EQUIPMENT AND LEASEHOLD IMPROVEMENTS less depreciation and amortization	56,000	
GOODWILL (Note 5)	173,000	381,000
TRUST FUNDS	184,000	
TOTAL	<u>\$6,099,000</u>	<u>\$4,495,000</u>

Signed on behalf of the Board:
FRANK SOJONKY, Director.
CASEY C. VANEE, Director.

Auditor's Report

To the Shareholders
The H. A. Roberts Group Ltd.

We have examined the consolidated balance sheet of the company and its subsidiaries as at September 30, 1972 and the consolidated income statement and source and application of cash for the year then ended. In giving our explanations we have required. Our examination procedures and such tests of accounting records and other documents as we considered in the circumstances.

In our opinion and according to the best of our knowledge and belief as shown by the books of the companies, these financial statements exhibit a true and correct view of the state of the company and the results of their operations and the source and application of cash in accordance with generally accepted accounting principles of the preceding year. All the transactions of the company are within the objects and powers of the companies.

Regina, Saskatchewan,
November 22, 1972.

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES	1972	1971
BANK INDEBTEDNESS SECURED (Note 6)	\$ 984,000	\$ 275,000
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	954,000	317,000
LOANS PAYABLE		50,000
INCOME TAXES PAYABLE	12,000	15,000
MORTGAGES PAYABLE (Note 7)	2,710,000	2,565,000
MINORITY INTEREST IN SUBSIDIARY		8,000
DEFERRED INCOME TAXES (Note 8)	145,000	98,000
CONTINGENT LIABILITIES (Note 4)		
TRUST FUNDS	184,000	
	<u>4,989,000</u>	<u>3,328,000</u>
 SHAREHOLDERS' EQUITY		
CAPITAL STOCK		
Authorized		
3,000,000 shares without par value		
Subscribed for and issued		
1,583,520 shares (Note 9)	1,105,000	1,272,000
Less uncollected subscriptions	238,000	238,000
	<u>867,000</u>	<u>1,034,000</u>
RETAINED EARNINGS	243,000	133,000
	<u>1,110,000</u>	<u>1,167,000</u>
TOTAL	<u>\$6,099,000</u>	<u>\$4,495,000</u>

Report

of The H. A. Roberts Group Ltd. and its sub-
statements of earnings and retained earnings
d, and have obtained all the information and
ded a general review of the accounting pro-
supporting evidence as we considered necessary

formation and the explanations given to us and
statements are properly drawn up so as to
rs of the companies as at September 30, 1972
pplication of their cash for the year then ended,
ciples applied on a basis consistent with that
anies that have come to our notice have been

RIDDELL, STEAD & CO.,
Chartered Accountants.

THE H. A. ROBERTS GROUP LTD. AND SUBSIDIARY COMPANIES
(Formerly McAra Properties Ltd.)

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS
For the Year ended September 30, 1972

	1972	1971
SALES		
Property sales, rentals, commissions and fees	\$2,118,000	\$1,103,000
Gross revenue from hotels	1,567,000	1,375,000
	<u>3,685,000</u>	<u>2,478,000</u>
EXPENSES		
Operating costs and expenses	3,127,000	1,998,000
Depreciation	107,000	98,000
Amortization	3,000	12,000
Interest on mortgages	233,000	151,000
Other interest	39,000	58,000
	<u>3,509,000</u>	<u>2,317,000</u>
EARNINGS BEFORE INCOME TAXES	<u>176,000</u>	<u>161,000</u>
Provision for income taxes		
Current	19,000	15,000
Deferred	47,000	63,000
	<u>66,000</u>	<u>78,000</u>
NET EARNINGS	<u>110,000</u>	<u>83,000</u>
(Net earnings per share—Note 11)		
Retained earnings at beginning of year	133,000	50,000
RETAINED EARNINGS AT END OF YEAR	<u>\$ 243,000</u>	<u>\$ 133,000</u>

8.6¹ vs 7¹

THE H. A. ROBERTS GROUP LTD. AND SUBSIDIARY COMPANIES
(Formerly McAra Properties Ltd.)

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF CASH
For the Year ended September 30, 1972

	1972	1971
SOURCE OF CASH		
Operations		
Net earnings	\$ 110,000	\$ 83,000
Non-cash charges		
Depreciation and amortization	110,000	110,000
Deferred income taxes	47,000	63,000
	<u>267,000</u>	<u>256,000</u>
Proceeds of mortgage loans	719,000	1,116,000
Issue of shares	228,000	9,000
Sale of revenue-producing properties	528,000	
Increase (decrease) in accounts payable and accrued liabilities	585,000	(110,000)
	<u>\$2,327,000</u>	<u>\$1,271,000</u>
APPLICATION OF CASH		
Additions to revenue-producing properties	1,608,000	1,135,000
Repayment of mortgage loans	130,000	138,000
Mortgages on properties sold	445,000	
Purchase (disposal) of goodwill	173,000	(96,000)
Purchase of minority interest	8,000	
Increase (decrease) in property under development	373,000	(190,000)
Increase in accounts receivable	246,000	47,000
Increase in investments and other assets	53,000	18,000
	<u>3,036,000</u>	<u>1,052,000</u>
INCREASE (DECREASE) IN BANK INDEBTEDNESS	<u>709,000</u>	<u>(219,000)</u>
Bank indebtedness at beginning of year	275,000	494,000
BANK INDEBTEDNESS AT END OF YEAR	<u>\$ 984,000</u>	<u>\$ 275,000</u>

THE H. A. ROBERTS GROUP LTD. AND SUBSIDIARY COMPANIES

(Formerly McAra Properties Ltd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 1972

1. AMALGAMATION AND CONSOLIDATION

Effective October 1, 1971, McAra Properties Ltd. amalgamated with three of its subsidiary companies (Moose Jaw Community Hotel Company Limited, Westward Inn Ltd. and Northgate Developments Ltd.) forming one company, McAra Properties Ltd. The name was subsequently changed to The H. A. Roberts Group Ltd. The number of shares issued and outstanding of the successor company remained the same as that of the former parent company. The dollar amount attributed to the share capital has been reduced by \$395,000, being the balance of the excess of cost over the equity in net tangible assets of the subsidiaries amalgamated, which arose originally on the issue of shares when the subsidiaries were acquired.

On March 1, 1972, the net assets and the business of H. A. Roberts Limited, a British Columbia real estate firm, were acquired and a wholly-owned subsidiary, H. A. Roberts Ltd., was formed to operate this business. The acquisition price is broken down as follows:

Net assets	\$ 48,000
Goodwill	173,000
Acquisition price, 147,166 shares of The H. A. Roberts Group Ltd. valued at \$1.50 per share	\$221,000

The purchase agreement calls for the issue of an additional 20,000 shares contingent upon future earnings of the acquired business.

The consolidated financial statements include the accounts of H. A. Roberts Ltd. since acquisition and United Western Supply Ltd. for the year.

The consolidated financial statements of McAra Properties Ltd. and subsidiary companies have been used for comparative purposes.

2. ACCOUNTING POLICIES

Carrying charges and an appropriate portion of expenses directly related to development are added to the cost of land and work in progress. For the current year, such additions amounted to \$53,000 (1971—\$13,000).

3. PROPERTIES

Properties under development and work in progress:

Land	\$236,000
Construction in progress	272,000
	\$508,000

Revenue-producing properties completed and under construction, including joint ventures (Note 4):

	Cost	Accumulated Depreciation	Net
Apartments and commercial			
Land	\$ 464,000		\$ 464,000
Buildings and equipment	2,010,000	\$ 85,000	1,925,000
Construction in progress	1,198,000		1,198,000
Hotels			
Land	229,000		229,000
Buildings and equipment	1,758,000	1,017,000	741,000
	\$5,659,000	\$1,102,000	\$4,557,000

Depreciation is provided in the accounts on the basis 5% sinking fund method for apartments and commercial buildings based on estimated useful life of 40 years, and 5% diminishing balance method for hotel buildings. Other assets are depreciated at various rates to amortize cost over their appropriate useful lives.

4. CONTINGENT LIABILITIES AND JOINT VENTURES

The accounts include the company's share of the revenues and expenses and of the assets and liabilities of 50% joint ventures with a total book value of \$1,312,000 against which there are mortgages in total amounting to \$1,012,000.

The investment in land syndicate represents a 25.28% interest in Porter Properties Syndicate. The audited financial statement of the syndicate at September 30, 1972, shows total assets of \$695,000 and liabilities of \$222,000.

THE H. A. ROBERTS GROUP LTD. AND SUBSIDIARY COMPANIES

(Formerly McAra Properties Ltd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 1972

5. GOODWILL

Amortization of goodwill is on a straight-line basis over 40 years.

6. BANK INDEBTEDNESS

Bank loans are secured by a general assignment of accounts receivable, assignment of proceeds of mortgage loans on work in progress and revenue-producing properties under development and a demand debenture on the assets of the company.

7. MORTGAGE LOANS

Mortgages payable on revenue-producing properties are summarized as follows:

	Average Interest Rate	Maturity Dates	Amount
Apartments and commercial			
First mortgages	9 1/4 %	1975 to 2000	\$1,460,000
Second mortgages	12 3/4 %	1975 to 1976	251,000
Amounts drawn down on work in progress	9 1/4 %	1977 to 2007	405,000
Hotels			
First mortgages	9 1/2 %	1975 to 1976	529,000
Lands held for future development			65,000
			<u>\$2,710,000</u>

Mortgage principal repayments over the next 5 years are as follows:

1973	\$ 80,000	1976	398,000
1974	87,000	1977	54,000
1975	869,000		

8. DEFERRED INCOME TAXES

Income taxes have been deferred as a result of claiming capital cost allowances for tax purposes in excess of depreciation recorded in the accounts.

9. CAPITAL STOCK

Changes in common shares during the year are summarized as follows:

	Shares	Amount
Outstanding September 30, 1971 (former company)	1,429,499	\$1,272,000
Issued on amalgamation (Note 1)	1,429,499	877,000
Issued to acquire minority interest in former subsidiary company	6,855	7,000
Issued re purchase of assets (Note 1)	147,166	221,000
Issued and outstanding September 30, 1972	1,583,520	1,105,000

Uncollected subscriptions relating to 250,000 shares issued to
Trio Investments Ltd., a company owned by three
directors of the company

238,000

\$ 867,000

Common shares are reserved as follows:

Options outstanding	Number	Price	Expiry Date
Issued to			
Officers	2,500	\$1.75	December 31, 1972
Officers	2,500	2.00	December 31, 1973
Directors	25,000	1.00	December 31, 1974
Directors	25,000	1.50	December 31, 1974
In accordance with purchase purchase agreement (Note 1)	20,000		February 28, 1974

10. COMMITMENTS

Estimated cost to complete projects in progress and under development will amount to approximately \$3,674,000. Of this amount, the companies have at September 30, 1972, entered into firm commitments amounting to \$1,480,000.

11. EARNINGS PER SHARE

	1972	1971
Earnings based on weighted monthly average of number of shares outstanding and fully paid	8.6c	7.0c
Fully diluted earnings reflect the issue of all shares reserved for possible issuance	7.4c	6.1c

OUR LATEST

"WESTFIELD TOWNE" and "WASCANA ESTATES"

"Addresses of Distinction"

Superb . . .
Breathtaking.

The beautiful best
South Regina has to offer.

Luxurious townhouses.
Cool, green refreshing landscape.

Fresh air to breathe.

Trees, walkways, and a view . . .
a stunning panorama of trees and sky.

All yours . . . to live with,
and grow with.

PLANNED COMMUNITIES BY THE H. A. ROBERTS GROUP

WHERE PEOPLE COME FIRST



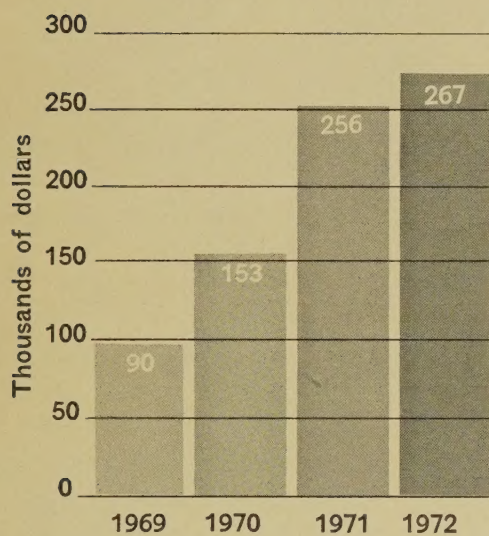
APARTMENTS

With completion of our new twin tower 142 suite complex — multi-family dwellings remain one of our mainstays.

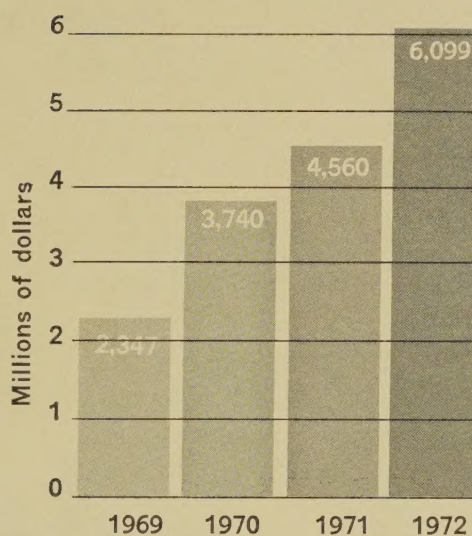
We plan to remain in the forefront of this vital part of the housing industry by developing projects which are well researched and, when constructed, stand the test of marketing in the future.



CASH FLOW

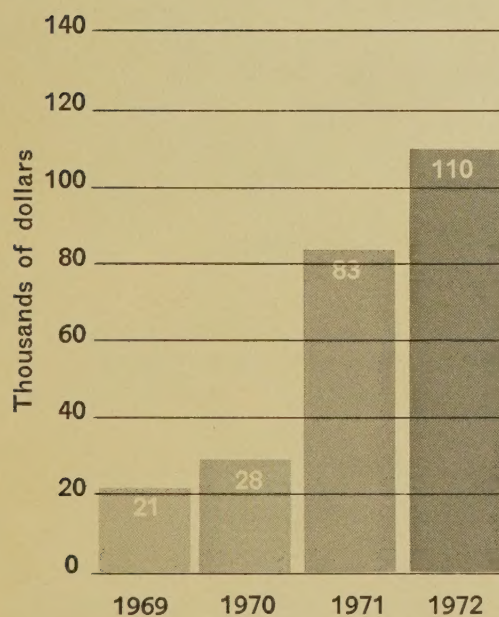


TOTAL ASSETS

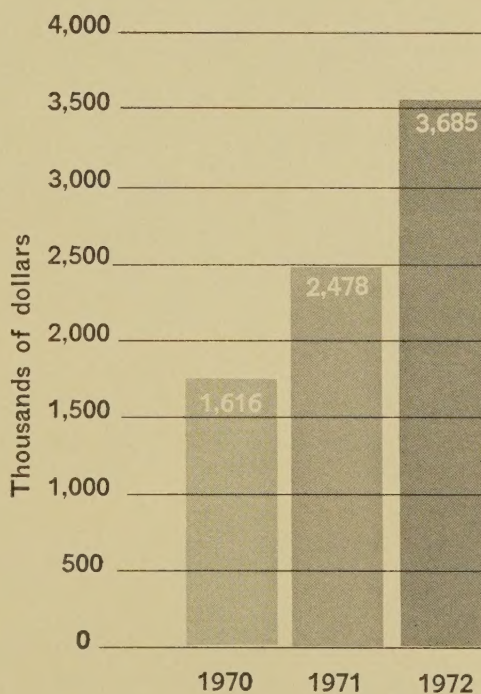


Cash flow is shown before depreciation, amortization, deferred income taxes and mortgage principal repayments.

EARNINGS



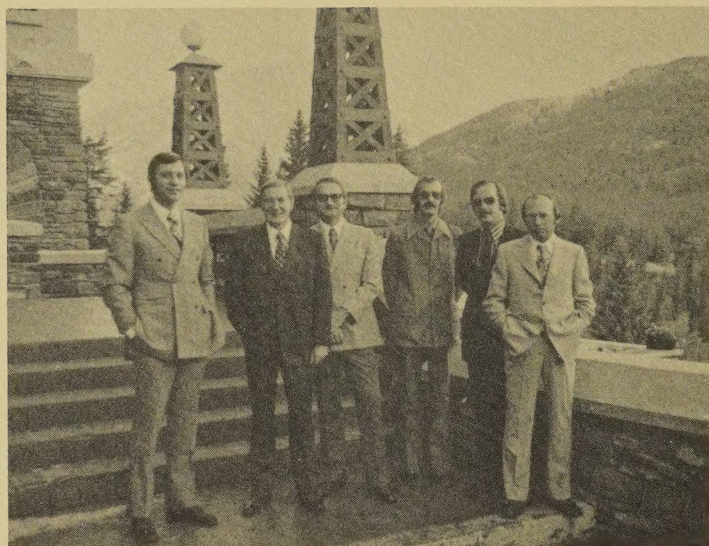
SALES



A TEAM AT WORK

Semi-Annual Management Seminar

Banff — September — 1972



GOAL

Systematic management for a project oriented company with a strong individualistic and entrepreneurial background.

PURPOSE OF PROJECT PLANNING

—Boyle

“market reserach and analysis is the first exercise ”

PRESENT DEVELOPMENT GOAL

—Vanee

“reallocation of management to make British Columbia our major profit centre.”

INFORMATION SYSTEMS

—Bronstein

“establish department interchange at all project checkpoints.”

PROJECT DEVELOPMENT

—Bow

“formulation and submission of written programs by marketing to planning and design department.”

INCOME PROJECTS, 1973 to 1977

—Fluter

“with the completion of the five-year projections we can now balance income and investment goals.”

INVESTMENT PROPERTIES

—Sojonky

“ we must divest ourselves of any properties which do not meet our profit criteria.”



Proposed twin tower complex for Vancouver

